

**70A-9a-622 Effect of acceptance of collateral.**

- (1) A secured party's acceptance of collateral in full or partial satisfaction of the obligation it secures:
- (a) discharges the obligation to the extent consented to by the debtor;
  - (b) transfers to the secured party all of a debtor's rights in the collateral;
  - (c) discharges the security interest or agricultural lien that is the subject of the debtor's consent and any subordinate security interest or other subordinate lien; and
  - (d) terminates any other subordinate interest.
- (2) A subordinate interest is discharged or terminated under Subsection (1), even if the secured party fails to comply with this title.

Enacted by Chapter 252, 2000 General Session